



CONGRESSIONAL BUDGET OFFICE PAY-AS-YOU-GO ESTIMATE

October 23, 1998

H.R. 3687 **Canadian River Project Prepayment Act**

As cleared by the Congress on October 14, 1998

H.R. 3687 would authorize prepayment by the Canadian River Municipal Water Authority of amounts due for the pipeline and related facilities of the Canadian River Project in Texas. Current law provides for conveying title for these elements to the authority once repayment is complete. CBO estimates that enacting H.R. 3687 would yield a net decrease in direct spending of \$26 million over the 1999-2003 period. That near-term cash savings would be offset on a present-value basis, however, by the loss of payments currently scheduled for subsequent years.

CBO estimates that enacting H.R. 3687 would result in a prepayment to the federal government of about \$35 million in fiscal year 1999. (The authority to prepay would expire 360 days after enactment.) After prepayment, the municipal water authority would no longer make the regularly scheduled payment of \$3 million a year over the 2001-2022 period.

The net changes in outlays that are subject to pay-as-you-go procedures are shown in the following table. For the purposes of enforcing pay-as-you-go procedures, only the effects in the budget year and the succeeding four years are counted.

	By Fiscal Year, in Millions of Dollars									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Changes in outlays	-35	0	3	3	3	3	3	3	3	3
Changes in receipts						Not applicable				

The CBO staff contact is Gary Brown. The estimate was approved by Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.